



1 HOUSE RESOLUTION

2 WHEREAS, Postsecondary education is increasingly essential
3 for success in the modern economy; and

4 WHEREAS, Affordability of a college degree is a growing
5 concern to students, families, and State policymakers; and

6 WHEREAS, The Illinois Student Assistance Commission's
7 mission statement affirms that the purpose of the Commission is
8 "to benefit society by enabling individuals to develop to their
9 fullest potential through access to quality education"; and

10 WHEREAS, The Illinois Student Assistance Commission's
11 secondary market, the Illinois Designated Account Purchase
12 Program (IDAPP), was created to ensure the continued
13 availability of educational loan capital; through its purchase
14 activity, IDAPP provides lenders with the liquidity they need
15 to make additional loans, and, through its Community
16 Educational Loan Partnership activity, IDAPP also acts as a
17 lender referral service, ensuring that access to educational
18 loans exists in all communities and areas of this State; and

19 WHEREAS, The Illinois Student Assistance Commission
20 operates as a national guarantor, consistently ranking among
21 the top ten guaranty agencies in the country in total dollars
22 guaranteed; and

23 WHEREAS, Since 1966, the Illinois Student Assistance
24 Commission has guaranteed over \$9.4 billion in federally
25 reinsured Federal Family Education Loan Program loans for
26 qualified students and parents; and

27 WHEREAS, Revenues from the IDAPP help allow the Illinois
28 Student Assistance Commission to fund a number of programs and
29 services, including financial aid workshops, 1-800 help lines,

1 1.5 million informational pamphlets annually, outreach
2 services to over 500,000 individuals annually, informational
3 websites, credit-based alternative loan programs, low interest
4 loans, interest rate reduction programs, financial aid grants,
5 financial aid scholarships, College Illinois!, support
6 services for families and students, default prevention
7 services, and training and technical assistance; and

8 WHEREAS, Without a guaranteed revenue stream from the
9 IDAPP, other services offered through the Illinois Student
10 Assistance Commission may potentially lose their funding; and

11 WHEREAS, The Illinois Student Assistance Commission has
12 proposed selling part or all of its Illinois Designated Account
13 Purchase Program to a private, for-profit entity; and

14 WHEREAS, The Illinois Student Assistance Commission offers
15 an array of low interest educational loan programs with
16 reasonable and manageable repayment terms; and

17 WHEREAS, The Illinois Designated Account Purchase Program
18 serves an estimated 335,000 student loan borrowers, with an
19 estimated value of \$3.8 billion in loans; and

20 WHEREAS, From Fiscal Year 2000 to Fiscal Year 2005, the
21 number of borrowers who benefited from the IDAPP has increased
22 by 54%; and

23 WHEREAS, Student loans are now the single biggest source of
24 financial aid for students, and the average debt for an
25 ISAC-backed Stafford Loan recipient has increased by 28% from
26 Fiscal Year 2000 to Fiscal Year 2005; and

27 WHEREAS, Student loan borrowers use loans as a necessary
28 means to acquire access to a higher education; and

1 WHEREAS, Other states have privatized programs equivalent
2 to the Illinois Designated Account Purchase Program, and,
3 according to published news reports, student loan borrowers in
4 Ohio and Maine experienced negative consequences; and

5 WHEREAS, According to the National Center for Public Policy
6 and Higher Education, 200,000 individuals nationally do not
7 pursue a higher education every year due to costs; and

8 WHEREAS, We, the House of Representatives, support
9 affordability and accessibility in post-secondary education
10 and want to maintain services that help students acquire a
11 post-secondary education; therefore, be it

12 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE
13 NINETY-FOURTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that
14 the Commission on Government Forecasting and Accountability,
15 in conjunction with the Board of Higher Education, publish a
16 report to determine the potential effects to student loan
17 borrowers in the Illinois Designated Account Purchase Program
18 if the Illinois Designated Account Purchase Program were to be
19 sold to a for-profit entity; and be it further

20 RESOLVED, That the report shall suggest options on how to
21 ensure affordability and accessibility for student loan
22 borrowers in the case that the loans are privatized; and be it
23 further

24 RESOLVED, That the report shall suggest options on how the
25 State will allocate resources to maintain or improve the
26 quantity of students served and the quality of the Illinois
27 Student Assistance Commission's student service programs in
28 the event that revenue from the Illinois Designated Account
29 Purchase Program is privatized; and be it further

30 RESOLVED, That the Commission on Government Forecasting

1 and Accountability and the Board of Higher Education shall
2 release their report no later than July 1, 2006; and be it
3 further

4 RESOLVED, That suitable copies of the report from the
5 Commission on Government Forecasting and Accountability and
6 the Board of Higher Education, upon release, shall be delivered
7 to all legislative members and executive officers; and be it
8 further

9 RESOLVED, That no further action shall be taken by the
10 Illinois Student Assistance Commission to sell the Illinois
11 Designated Account Purchase Program until May 31, 2007; and be
12 it further

13 RESOLVED, That suitable copies of this resolution be
14 delivered to the Illinois Student Assistance Commission, the
15 Commission on Government Forecasting and Accountability, and
16 the Board of Higher Education.